General and Education Fund revenue collections totaled $2.3 billion for the first four months of FY 2019, representing a year-over-year (YoY) growth rate of 11.2% compared with the first four months of FY 2018. The 11.2% is a deceleration from the prior month’s 13.8%. Currently, revenue only needs to grow by 1.9% to reach the consensus target. This 1.9% target for FY 2019 will be updated in December. Behind the decelerating, but continued strong performance of revenue is better-than-expected withholding, sales tax, and corporate tax. Part of the performance stems from federal tax reform. Transportation Fund revenue is coming in about in line with target.

General Fund revenue collections totaled $2.3 billion for the first four months of FY 2019. This represents a YoY growth rate of 8.8% compared with the first four months of FY 2018. The prior month had revenue growing at 8.1%. To reach the current consensus target, revenue would have to grow by 3.5% for the year. The 0.7 percentage point acceleration in revenue over the prior month (8.8% vs. 8.1%) was due to slightly stronger sales tax receipts (7.2% vs. 7.1%). Overall, the strong performance is primarily due to a flourishing economy, though some revenue growth is attributable to increased collections of online sales tax.

Education Fund revenue collections reached $1.4 billion for the first four months of FY 2019, representing a year-over-year growth rate of 12.9%. The 12.9% growth rate is a deceleration from the prior month’s 18.0%. This deceleration was partly due to a surge in income tax refunds. Corporate tax receipts continue to grow at a very healthy pace, up 102% over the prior year. Some of the corporate growth is likely temporary in nature, being driven by the one-time taxation of repatriated corporate income and other federal-tax-reform-driven changes.

Transportation Fund collections reached $202 million for the first four months. The gas tax is currently below target, while other revenue sources (diesel, registrations) are above target.